



WHAT IS THE ROI OF WORKING WITH A PEO?

HERE'S EVERYTHING
YOU NEED TO KNOW

Small and mid-sized businesses are always looking for ways to grow, improve productivity, and increase revenue. They're also looking for ways to streamline their business processes and procedures.

But for many businesses, hiring internal staff to help with this can be too costly. Enter a Professional Employer Organization (PEO). A PEO can help with all of these tasks and more for a fraction of the price of hiring and training a new HR employee.



What Does a PEO Do?

Many small and mid-sized businesses don't have an internal HR team. If they do, they're overworked, unable to establish an attractive company culture, and they often struggle with implementing projects that could help increase company productivity and revenue. These small HR teams are stuck doing time-consuming administrative work only. If your company doesn't have an HR department, you may be doing these tedious tasks yourself.

These duties are essential, though they take away from other important tasks like overseeing business operations, and ensuring your company's performance management and training programs are in order.

A PEO can relieve your team, or you, of the following tasks:

- **BENEFITS ADMINISTRATION.** A PEO will help your company administer benefits to your team members. This allows you the chance to offer best-in-class benefits that provide your company with a competitive advantage.
- **RECRUITING AND HIRING.** One of the most time-consuming HR processes, recruiting and hiring, can be done by your PEO. They can help you build and post job descriptions, screen candidates, and ensure compliance with hiring. You'll still be able to conduct the interviews and make a hiring decision, but your PEO will help you drastically reduce the time and effort it takes to hire a new employee.
- **PAYROLL ADMINISTRATION.** Payroll is a mundane and complex task that must be completed perfectly every time. It requires strict adherence to payroll laws and regulations, as well as extensive knowledge surrounding tax remittance and other withholdings. Your PEO will take on this burden, letting you and your HR team shift your focus to more important matters.
- **UNEMPLOYMENT CLAIMS.** Unemployment claims cost small businesses thousands of dollars in lost productivity and payment of invalid claims. Dealing with every unemployment claim that comes through the door can be overwhelming. Outsourcing this task to a PEO will ensure that only valid claims are paid, and they'll defend your company against invalid claims.
- **WORKERS' COMPENSATION.** With few exceptions, workers' compensation is insurance coverage required for all businesses. But finding and getting affordable coverage can be a challenge, especially if you're in a historically dangerous industry like construction, trucking, or manufacturing. Your PEO can offer you access to their workers' compensation coverage, which may have lower rates than what you could get on your own.

- **COMPLIANCE ASSISTANCE.** Business owners are constantly dealing with compliance and regulation. Most people are not well-trained in interpreting laws and could put your company at risk. Even innocent mistakes can be met with costly fines and penalties. With a PEO, you gain access to a team of compliance experts who work diligently to ensure your company stays compliant with all federal, state, and local laws.
- **DRUG TESTING PROGRAMS.** Depending on the industry in which you operate, you may be required to drug test employees. Drug testing comes with some regulatory hurdles, and your PEO can help you navigate these challenges and implement a compliant and fair drug testing program.
- **FAMILY AND MEDICAL LEAVE ACT (FMLA).** Depending on the size of your company, you may have to provide FMLA to your employees. FMLA allows your employees to take up to twelve weeks of unpaid leave for an eligible reason. Your state may also have its own leave program, which may go above and beyond the federal requirements. Your PEO can help you make sure you're compliant with all relevant leave programs.
- **WELLNESS PROGRAMS.** Employee wellness is crucial to a productive and happy workforce. Developing a wellness program sounds easy, but you need to ensure it's fully inclusive and has the desired effect. Your PEO will help you create a clear strategy that lets you implement a wellness program that fits your culture and your company's needs.

A PEO will help your company with all of the above and so much more. The best part is that a PEO does not take control of your business, only the administrative work that you are probably thrilled to shed anyway. You still retain complete and sole control over the daily operations of your business.

The right PEO is a true partner to your business. They do not diminish any power you have or power that you give to any of your employees.

A PEO will not change your company culture, although they can help you if you're looking for a change. PEOs do not negatively affect your employees. If anything, a PEO partnership can improve employee morale by giving employees confidence that HR processes and procedures are being developed and maintained. It also gives your team one place to locate their information and direct their questions about any issues.



Here's How PEOs Save Costs and Increase Revenue

All of the above sounds great, but now you want to know how much this will cost. Here's the thing— for most businesses, it's going to cost you less than hiring a new HR team member. Along with a buffet of business services (payroll, HR, benefits, safety, workers' comp, and more), PEOs give you access to a team of experts that help you work smarter, grow faster, and make more money. In all actuality, instead of asking what is it going to cost, a better question to ask might be, what is it costing you by not having a PEO? Read further to see

Attracts Talented Employees and Improves Retention

A PEO can help your company attract high-quality employees. Aside from salary, workers want a great benefits package above all else. They want access to affordable and quality health coverage, reasonable time off and leave benefits, and work flexibility. Hint: You can ditch the pizza parties—forced fun is no fun!

All of this also helps improve your employee retention. When employees are happy, they're more productive and loyal, increasing retention and revenue. All while reducing costs because you don't have to spend as much time and effort replacing departing employees and training new ones.

Ensure Employee and Legal Compliance

HR tasks frequently involve legal matters. Employment laws are complex and constantly evolving. You need someone to guide you and stay up to date on these changes at the federal, state, and local levels.

The same is true of legal compliance. You may have business licenses you need, and your industry may require additional certifications. Guiding you through getting and maintaining all of these is a job for your PEO.

Frees Up Time by Taking on Administrative Tasks

Administrative HR tasks take an enormous amount of time. Whether you're doing these tasks yourself or have a small HR team to do them, they are time-consuming. From payroll to benefits to ensuring compliance, these tasks are mundane yet incredibly important and complex.

With a PEO guiding you, you can be confident that your time will be replenished. This allows you and your HR team to focus on your core business needs.





Saves Money on HR-Related Expenses

All of the tasks that you do, along with researching and sourcing the right solutions, can also incur significant costs. With a PEO, you can reverse these costs and potentially save money.

A PEO, for example, gives you access to their master health plan. This plan offers your employees high-quality healthcare at costs, which are most likely much less expensive than you could obtain on your own.

By the Numbers

There are several ways your **ROI increases with a PEO:**

- Compared with companies who do not use a PEO, PEO clients saw an **INCREASE IN STAFF GROWTH 4.2% HIGHER**
- **BUSINESS REVENUES INCREASED BY 5%** over non-PEO clients
- PEO clients saw **TURNOVER RATES NEARLY 20% LESS THAN NON-PEO CLIENTS**
- The average annual cost savings from using a PEO is **\$1,775 PER EMPLOYEE**

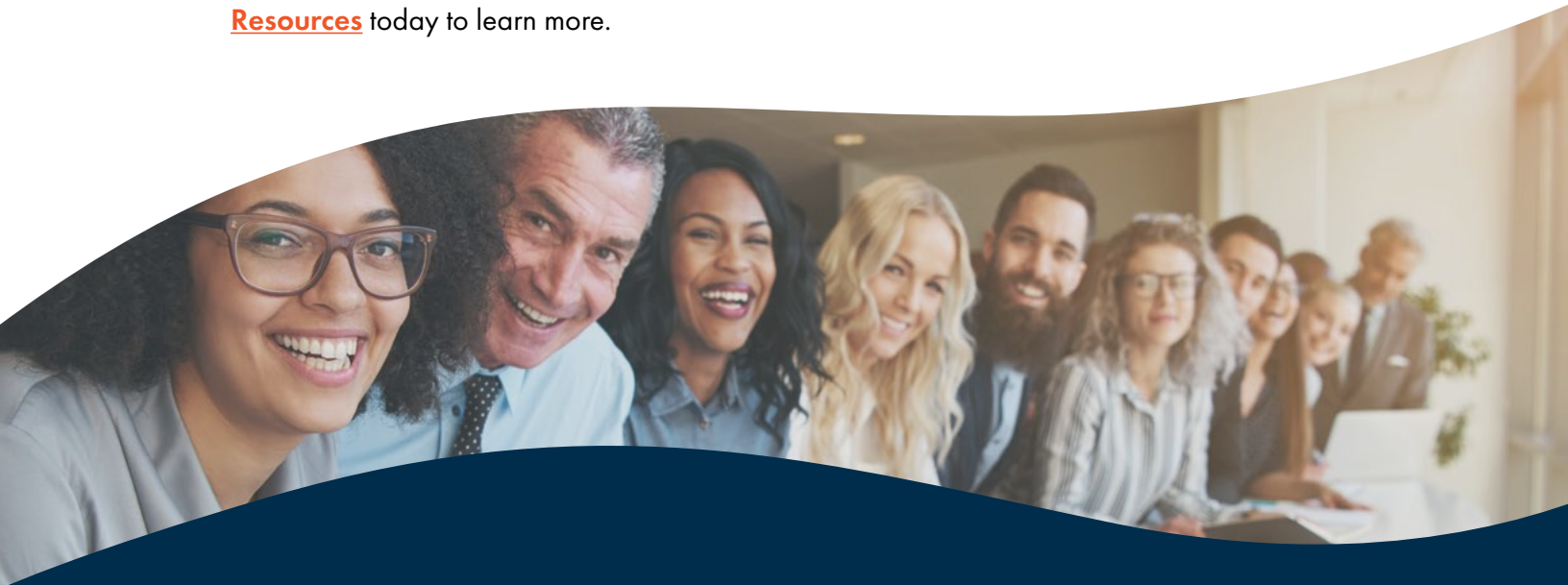
THE BOTTOM LINE:

A PEO can Increase ROI by 27.2%

A PEO delivers small and mid-sized businesses significant value by attracting and retaining top talent, freeing up your time to focus on your core business needs, and lowering HR-related costs. All of this adds up to an [average ROI of 27.2%](#) from cost savings alone simply by partnering with a PEO. Partnering with a PEO just makes sense.

PRO Resources uses a full-service approach with the aim to partner with their clients rather than simply serving as a vendor. Our commitment to act as a partner and a trusted advisor allows businesses to achieve new heights. By reducing your overhead, increasing your benefits package, ensuring compliance, all while saving your company money, [PRO Resources](#) offers you the solutions and services your business needs.

We help you improve your business procedures, increase your company revenue, and provide you and your team with the resources needed to continue your business growth. [Contact PRO Resources](#) today to learn more.



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